CENTRAL INTELLIGENCE AGENCY

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1. During World War I, grenades were manufactured at the plant. After having been shut down for several years, the Niedersedlitz Sachsenwerk bought the compound and started the manufacture of switching equipment and, after 1935, of radio sets. After 1935, part of the plant was used for billeting troops. During World War II, the plant engaged in the manufacture of telecommunication equipment for the German Armed Forces. In 1945, the firm of Lorenz transferred some of its departments from Falkenstein to the plant. Subsequently the installations were dismantled by the Soviets. After incorporation into SAG Kabel (SAG Apparatus the production of microwave sets was started according to Lorenz models and using the large stocks of available material. Materials in short supply were supplied by the Soviets. The production included mainly RVG 902, 903, 904 and 905 sets which were sent with complete sets of blueprints as reparation deliveries to the USSR. The Soviets were particularly interested in mobile decimeter link lines. Some 500 vehicles mounting RVG 902 and 903 were delivered prior to 1953. The USSR had supplied ZIS chassis for this purpose. In 1953, the Leningrad T-2 television set was taken up as a new production line and the sets produced were dispatched as reparation deliveries to the USSR until 1955. By the time the plant was made a people's-owned enterprise the Soviets seemed no longer interested in decimeter equipment. Consequently, the production slumped and

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layoffs were being considered, but such a measure was bypassed by the boost in the production of television sets and motors.

2. The introduction of the direct distance dialing system created a big demand for multi-channel trunk lines connecting the individual telephone centers and, since it was impossible to lay the required cables without delay, multi-channel directive radio stations had to be set up. The RVG 902, 903, 904 and 905 apparatus had become outmoded and the development department concentrated all efforts on a multi-channel telephone equipment. In 1958, the RVG 934 set designed for 24 telephone channels with pulse modulator and not requiring additional carrier frequency was to be ready for the zero-series. The next design was to be a 120-channel apparatus which was scheduled for completion within a year and a half. Parallel to this, efforts were being made to develop a set suitable for either 600 telephone channels or one television signal. Progress was greatly hampered by the lack of indispensable modern measuring instruments which was caused by inadequate funds lack of imports. Much awkward improvisation was, therefore, necessary. Modern directive radio link lines of high channel numbers can no longer use the 15-cm frequency but have to go on 7.5-cm frequency, but the measuring technique for these new frequencies had as yet not been developed. VEB Fernmeldewesen has designed a complete array of related measuring instruments, as not ready to deliver such an array in 1958. Therefore, the development of the decimeter part of the new equipment had to be postponed.

3. The television plant had a plan target of 80,000 television sets in 1957. In October 1957, an additional 12,000 sets were ordered by HV RFT (Radio and Telecommunications Main Administration). A total of 95,000 television sets were produced in 1957. Of these, 3,000 were exported to Poland, 2,000 to 2,000 and 1,000 to Czechoslovakia. The 1958 plan envisaged a total output of 100,000 television sets. In 1958, the Staassfurt VEB Stern-Radio and the Weissensee Stern-Radio works were to go into television production. The plant's business functionaries (management collective) greatly pushed the manufacture of television sets in view of the fact that these items constitute the major part of the production volume and bolster the plan fulfilment. Difficulties were encountered in the supply of components, particularly of magnetic ceramic parts by the Hermsdorf Ceramic Works, and of radio tubes by the Berlin Werk fuer Fernmeldewesen. Also the components delivered were frequently not up to specification and caused breakdowns in the production process. By increased deliveries during the 1957 4th quarter, the plan arrears were eliminated. Picture tubes were delivered by the Prague firm of Valvo, and by a British firm. In 1958, the production of picture tubes was to be taken up by the Berlin Werk fuer Fernmeldewesen. Under the 1957 plan some 100,000 eastmarks were made available for investment in the television industry. The turnover amounted to some 95 million's worth.

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4. Due to the manifold types turned out by the apparatus industry it is very difficult to give accurate figures regarding type and number of items produced. The following figures were reported as the output of the apparatus plant as of late December 1957:

Type	Number of items		Value (per item or link line)
RVG 903 D+E	34	) 50%	about 24,000 DME
RVG 904	15 link lines	) for	about 80,000 DME
RVG 905	4-6 link lines	) export	-
RVG 908	2 link lines?		
RVG 955	2 link lines?		
RVG 951 (for tropical climates)	19 link lines		about 100,000 DME
STV 403	6		-
STV 431	28		-
STV 432	13		-
TF 941	2		about 90,000 DME
TF 941.3000	4		about 20,000 DME
WWT 42 A	4		about 120,000 DME
WWH 41 A	2		about 120,000 DME
LMS 523	20		about 6-8,000 DME
FE 853	1		about 15,000 DME
BG 255	4		about 3,000 DME
EMS 262	38		about 6-8,000 DME
KLM 602	1		about 1,500 DME
UML 131	10		about 7,500 DME
DML 112	40		about 2,000 DME

Nine RVG 951 link lines were exported to China, and one to [redacted] The remaining link lines were produced due to faulty orders made by the DIA Commercial Department. 25X1

The storage charges (4% of the price of 100,000 DME) were charged to DIA.

RVG 908 and 955 (television relay equipment) were fully developed and went into manufacture in mid-1957. Two link lines of each type were slated for delivery in 1957. Due to arrears in the deliveries by the component industry, the completion of these link lines was postponed to the first and second quarters of 1958. Another 12 link lines were slated for delivery to the [redacted] Development work was completed on RVG 924 (4-channel set, presumably with an additional special channel) for use by the NVA. This work was carried out by a special division under special security measures. It may be assumed that the development of a mobile UVF RVG link line to be mounted on special chassis was involved. By the end of the third quarter of 1957, the production plan was fulfilled 54,5%, leaving nearly 50% to be fulfilled during the last quarter. Materials and components being available in adequate quantities, contests were organized to speed up production and in this way all export orders could be filled and the plan was fulfilled at the end of the year. All activities not directly related to the realization of the 1957 plan were suspended during the last months of the year. Since no new designs had been developed by the works in 1957, [illegible] investment funds of [illegible] 30,000 eastmarks were made available. The 1957 turnover amounted to some 13 million eastmarks. In the apparatus plant (Feinmechanik) [redacted] 25X1 25X1

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5. The motor plant engaged in the fabrication of motors ranging from 0.25 to 10 kW for service in the machine tool industry. The 1957 plan figure was fixed at 100,000 items, 50% of which were to be exported. This figure was not reached due to repair work in the pressure casting department and deliveries of material of poor quality by the Hennigsdorf steel works. In terms of value, however, the plan figures were fulfilled, since the arrears were balanced by shifting the production to a higher output of larger and high-priced motors. In favor of an expansion of the television plant, the motor plant will be detached from HV RFT and be integrated into VEM Berlin. It was not disclosed at what date this move is to become effective.

6. The machine park available consisted partly of non-dismantled machines, and partly of reconditioned machines removed from other plants. Between 1946 and 1957, some 10% of the machinery was replaced by modern equipment, particularly in the punching, turning and milling departments. The machinery and skilled labor available puts the works in a condition to fulfill its production plan by 100%.

7. List of personnel:

Plant manager	Lampert
Technical manager	at present presumably one Viehweger
Commercial manager	Zimmermann
Labor manager	Piduch
Head of development department	Viehweger
Head of television department	Schuetze
Head of telecommunication department	Falk
Production manager	Vettrich
Head of material testing laboratory	Pens
Head of production main department	Buerger
Head of technological department	Cosmar
Head of engineer design office	Knaack

The first four of the above list are members of the plant management collective. The plant manager, the technical manager and the chief accountant are state employees. There is definite differentiation between the economic functionaries and the labor force. Members of the management collective are not selected according to professional qualification but on the grounds of political loyalty. They exercise no decisive or responsible functions. Decisions are taken by the so-called Leistungskollektiv (performance collective) which acts according to decisions taken by the majority. Qualified workers in subordinate positions ensure their being carried out. A special collective, subordinated to the general manager, takes the decisions on technical issues.

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8. Abbreviations used for designation of the individual departments:[1]

L	Plant manager
B	Chief accountant
T	Technical manager
K	Commercial manager
A	Labor manager
G	Quality control department
P	Planning department
BfE/Pat.	Office of inventions and patents
TA	Main mechanical department (divided into workshops)
Tak	Machine designing department
TAma	Repair department
TAsch	Blacksmith shop (repairs)
TAbb	Construction department
TAe	Electrical department
TAti	Woodworking shop
TAsa	Saddler's shop
TAek	Power department/Boiler house
TCH	Material testing laboratory
TE	Main development department
TKK	Engineering department
TF	Main production department
TFT	Television department
TFG	Telecommunication department
TFM	Motor department
TFV	Prefabrication department
TFD	Dispatcher department
TFP	Production planning department
TFL	Production control department
TFK	Coordinating department
TFCH	Surface finish department
TFThm	Main assembly department
TFTp	Testing field
TFTe	Assembly department
TFGm	Mounting department
TFGp	Testing field
TFMw	Motor winding department
TFMm	Motor assembly department
TFMg	Pressure casting department
TFMp	Testing field
TFVstz	Punching department
TFVdr	Lathe department
TFVbf	Drilling and milling department
TFVsch	Blacksmith shop
TFVch	Refining department
TV	Technological department
TVD	Engineering department
TVW	Machine tool department
TVO	Operative technology department
TVK	Precalculation department
TVP	Planning department
TVF	Production planning department
TVE	Testing development department
KM	Material depot department
KME	Procurement department
KA	Sales department
KMP	Material planning department
KML	Storage yard
AO	Organization department

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9. Suppliers:

Hettstedt rolling mill
Thale rolling mill
Brandenburg steel works
Hennigsdorf steel works
Leipzig radio works
Zittau radio works
Koepenick cable works
Niederoderwitz cable works
Adlershof cable works
Weissensee VEB Stern-Radio
Rochlitz VEB Stern-Radio
Berlin-Treptow VEB electro-equipment works "J.W.Stalin"
Gera VEB condenser works
Freiberg VEB condenser works
VEB Hescho Hermsdorf
Berlin telecommunication works
Teltow VEB Ossietzki works
Grossraeschen VEB rectifier works
Plauen VEB cable works
Bad Liebenstein VEB Lux
Tambach VEB pressure casting works
Polenz VEB cardboard panels works.

The supplier firms encountered great difficulties in filling their orders due to shortages of materials and a high reject rate. In particular, the suppliers of components were unable to keep abreast of the needs of the apparatus plants.

10. The Rafena works had a labor force of 4,800, including 30% females; 250 white collar employees, 100 engineers, and 120 apprentices. The labor force consisted of 50% skilled and 50% semi-skilled or unskilled workers. About 50% belonged to the 30-year age group, 30% to the 31 to 45-year age group, and some 20% to the group over 45 years of age. A 45-hour labor work was in effect. The punching department and the boiler house worked in three daily shifts. The testing field, the prefabrication department of the television plant, the drilling department, the milling department, and the lathe department worked in two daily shifts. When two or three shifts were being worked, breaks were made in accordance with the 45-hour week. At the television and motor plant work was being done according to the norms established for contests. Basic wages were individually settled and supplemented by bonuses. Employees' salaries were augmented according to the work performed.* Individual contracts were signed with the technical intelligentsia. Mandatory bonuses after plan fulfilment were only for the "technical intelligentsia". Bonuses to manual labor were paid only on the basis of recommendation. No bonuses were given to labor working on norm contract since their wages were already higher than the regular wages.

[redacted] Comment. For structural setup of the Rafena works, see chart [redacted] 25X1

* Note: Leistungslohnzuschlag

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Anlage zu:

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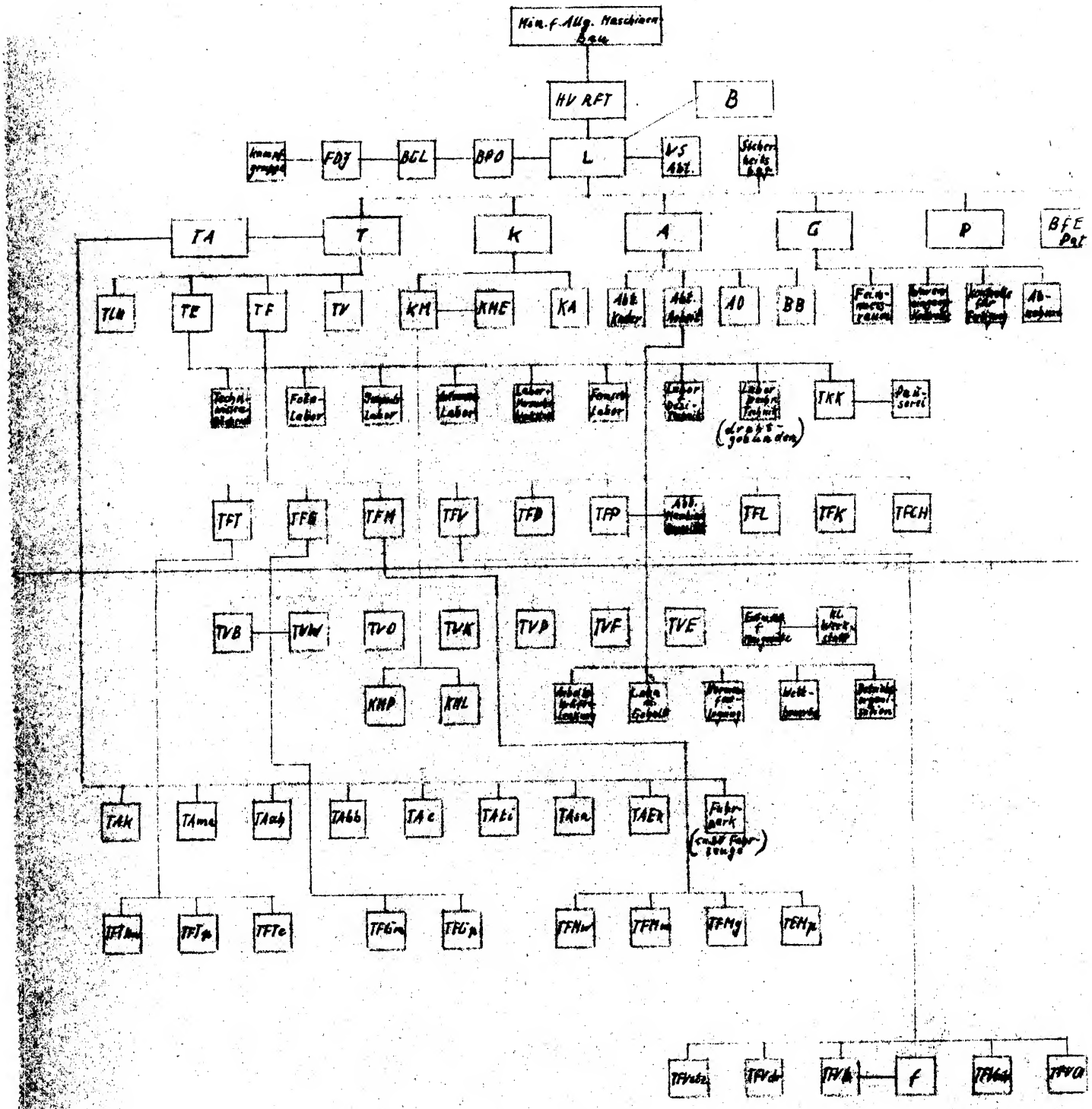
Struktur d. VEB Rafena Werke



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